



The Insider

www.senate.michigan.gov/switalski

Inside State Politics with State Senator Mickey Switalski Senate District 10

July 7, 2008

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while staying true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at senmswitalski@senate.michigan.gov or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a location near you. Call my office and make an appointment or just walk in. See schedule for details.

Mickey's Blog: Beware A Few Thorns Among the Roses

Despite the travails of the U.S. economy, Lansing is functioning much better this year compared to last year. We completed almost all our budgets ahead of schedule, well before July 1st. You may recall that last year we went past October, and didn't pass new budgets till November. On that basis alone, things are much improved.

Gone also are the annual Billion Dollar deficits of the last six years. We had to reduce some of our estimates a few hundred million, but that was child's play compared to the bloodletting of the recent past. The tough decisions we made last year have stabilized State Government. We even had money to grant cities a small 2 percent increase in revenue sharing, the first increase in seven years. Universities got a smaller 1 percent increase in funding, but that's better than being cut.

All in all, the budgets are modest and fair.

But there are a couple of proposals out there that I hope we will not agree to. They represent fiscal irresponsibility, and while seemingly small, they could grow into major problems and set a bad precedent for honest pay-as-you-go policymakers.

When the State lost a major lawsuit to school districts over special education funding, the State paid off its losses over about 15 years at around \$32 million a year. We finally paid that off this year, and there is a move to allocate that \$32 million to finance small high schools around the state. The hope is that if we get away from the mammoth, impersonal large high schools in some districts, where students are treated like a number and often lost in the shuffle, then we can make great strides in graduation rates and participation in school activities, which leads to better academic performance.

I think the idea has some merit. But I would rather just encourage districts with poor performance to try it. I don't really want to pay for it. It is just a theory, and last year we were trying to get schools to

consolidate to save money. So it's not like we are consistent. I don't want to fund one idea today and the opposite one tomorrow.

The proposal is to actually bond for \$300 million, and use the \$32 million for the next 20 years to pay off the bonds. I think this is bad policy and I do not support this proposal. Some of my Republican friends in the Senate agree with me. Together, I hope we can stop this proposal.

A far worse idea is to securitize, again, to borrow billions of dollars in order to subsidize electrical rates for residential consumers. Currently, electrical utility rates are skewed so that businesses pay more than residential customers. Business is tired of subsidizing consumer rates, and the State wants to be more attractive to new businesses, so there is general agreement to de-skew rates and have everyone pay their fair share.

The Senate wanted to give consumers time to adjust to the de-skewing, so the Senate bill put a cap on how much rates could rise and allowed the rates to reach equilibrium over the course of a decade. But there is a proposal to borrow money to subsidize the consumer rates over the next 20 years. But guess who would have to pay back the bonds?

Consumers. And it would end up costing them twice as much.

I think this is poor policy. I don't think my child should pay double so I can keep my rates artificially low. That is being fiscally irresponsible. We have had too much of that for the last decade in Washington, and we finally stopped such behavior in Michigan last year.

I pray we don't start it up again with these two proposals.

Coffee Hours

*In response to requests from constituents, I have added coffee hours in Roseville and during the daytime. Here are my next scheduled coffee hours. Please feel to stop on by or make an appointment by calling my office.

September 29, 2008 1:30-2:30 p.m.	October 30, 2008 7-8 p.m.
Location: Biggby Coffee (26740 Gratiot, south of I-696) Roseville	Location: Clinton-Macomb Public Library (35891 South Gratiot) Clinton Township

Mickey's TV Insider Show

Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

Sterling Heights

Every Saturday and Sunday at 1 p.m.
(Comcast Channel 5/WOW Channel 10)

Utica

Every Wednesday at 9 a.m.
(Comcast Channel 5/WOW Channel 10)

Clinton Township

Last week of every month- Sat thru Thurs
(Comcast Channel 5/WOW Channel 10)

Roseville

Various Times-check local listings
(Comcast Channel 18/WOW Channel 10)

Contact My Office

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